

*Interim Supply*

the maritime provinces, you achieve two immediate ends. You effect an immediate saving on the cost of the coal, and that saving can, in turn, be passed on by the power companies to the users of power. The second thing you do is to assist the coal industry which is, as I shall show in a moment, in desperate need of assistance. There are two immediate ends which could be accomplished by this government in the solution of one of the most critical problems which faces the maritimes. I have urged this in the house before, and I urge it again now, that some step such as that should be taken immediately.

I asked the Minister of Northern Affairs and National Resources the other morning when he made the statement if the government proposed a subvention on the movement of coal within the maritime provinces. He said, no, the government did not propose that because the cost of oil was now so high that it was economically necessary for the thermal stations, if and when they were built, to burn coal rather than oil. Well, the cost of oil may be a temporary matter. We all know the cost of oil has increased actually because of the Suez crisis. What the situation will be in 3 months or 10 months is an entirely different matter. In any event there are stations, many of them in the maritime provinces, which are consuming coal today.

I think the Nova Scotia Light and Power Company, for instance, is a good example. It is a privately owned company and has spent millions of dollars on the installation of coal burning plants in Halifax and proposes the installation of more. In the past, before this crisis, that company could have obtained oil from directly across the harbour at a lower cost than it was paying for coal but it did not do so because it wanted to support the Nova Scotia industry. Now, of course, it is cheaper to burn coal. If the company received subventions, it could pass on the savings in the cost of electrical power to the people of the maritime provinces who are buying that energy. As I said, that is one direct saving that could be made.

In the discussion the other morning with the hon. member for Cumberland the minister suggested that there was some uncertainty as to where the power station would be built. There were discussions with the New Brunswick government which was proposing to build a station at Saint John. A suggestion has been made that perhaps it would be cheaper to build the station near the coal mine and have the power flow from the mine to the consumer rather than have the coal transported from the mine to the location of the power station at the point of consumer demand. This problem was pretty well

settled yesterday with the publication of a report of a subcommittee of the Gordon commission. Apparently the Gordon commission retained a firm of consultant engineers to make a direct study of the coal industry. The firm made a report the day before yesterday, and it is very interesting indeed. A reading of that report certainly minimizes greatly, if not entirely, the importance which may be attached to this so-called grid system. This firm of consultant engineers shows it is much cheaper to transport coal from the mines to the place where the power is in demand than it is to manufacture that power at the pithead and transport the power by wire. The report says the line loss is so great that there is no comparison between the economic cost of one or the other.

That is a report of a subcommittee of the Gordon commission made, I presume, by a most responsible firm. It is a very imposing looking report which was brought down yesterday and it appears almost in full in the *Halifax Herald*. If that is the case, there is going to be no direct saving in the construction of a grid system at all. In fact, there is going to be a loss. There is going to be a loss in so far as the cost of energy is concerned in the construction of a grid system vis-a-vis coal, but there could be a marked reduction in the cost of coal if it is to be transported, as this report says it has to be. If the report of Urwick, Currie Limited the firm of consultant engineers in Toronto is to be accepted, then coal has to be transported from the pithead to the power station. In view of that report, why does the government tarry any longer with respect to the inauguration of subventions on the movement of coal? I suggest that is a question that is even more pressing now than it was before. It would result in a reduction in the cost of energy in the maritimes and would help the coal industry. I do urge again, as we have before, that a system of subventions be inaugurated at once.

The question of cheaper power is dealt with in full, as I said, in that report. I am not quoting from it, but as I have said the report states there is no comparison between the cost of the transportation of power and the cost of the transportation of coal. The report also gives a rather pessimistic and foreboding picture of the future of the coal industry. It says that the present prospects are that the coal industry in the maritimes will have to be stabilized at a production level of 5 million tons or less, and that will result in the displacement from employment of over 4,000 miners, with dependents, amounting in all to over 30,000 people. These